

ASSEMBLY BILL

No. 1408

Introduced by Committee on Utilities and Commerce (Bradford (Chair), Bonilla, Buchanan, Fong, Garcia, Quirk, Rendon, Skinner, and Williams)

March 13, 2013

An act to amend Section 353.13 of the Public Utilities Code, relating to distributed energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1408, as introduced, Committee on Utilities and Commerce. Distributed energy resources: tariffs.

Existing law requires the Public Utilities Commission to require each electrical corporation to establish new tariffs on or before January 1, 2003, for customers using distributed energy resources, but, after January 1, 2003, distributed energy resources that meet certain criteria are subject only to those tariffs in existence, until June 1, 2011, subject to a specified exception. Existing law requires those tariffs to ensure that all net distribution costs incurred to serve each customer class are fully recovered only from that class. Existing law requires the commission to prepare and submit to the Legislature, on or before June 1, 2002, a report describing its proposed methodology for determining the new rates and the process by which it will establish those rates.

This bill would delete the reference to the report the commission is required to prepare and submit to the Legislature on or before June 1, 2002, that describes its proposed methodology for determining the new rates and the process by which it will establish those rates.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 353.13 of the Public Utilities Code is
2 amended to read:

3 353.13. (a) The commission shall require each electrical
4 corporation to establish new tariffs on or before January 1, 2003,
5 for customers using distributed energy resources, including, but
6 not limited to, those that do not meet all of the criteria described
7 in Section 353.1. However, after January 1, 2003, distributed
8 energy resources that meet all of the criteria described in Section
9 353.1 shall continue to be subject only to those tariffs in existence
10 pursuant to Section 353.3, until June 1, 2011, except that
11 installations that do not operate in a combined heat and power
12 application will be subject to those tariffs in existence pursuant to
13 Section 353.3 only until June 1, 2006. Those tariffs required
14 pursuant to this section shall ensure that all net distribution costs
15 incurred to serve each customer class, taking into account the actual
16 costs and benefits of distributed energy resources, proportional to
17 each customer class, as determined by the commission, are fully
18 recovered only from that class. The commission shall require each
19 electrical corporation, in establishing those rates, to ensure that
20 customers with similar load profiles within a customer class will,
21 to the extent practicable, be subject to the same utility rates,
22 regardless of their use of distributed energy resources to serve
23 onsite loads or over-the-fence transactions allowed under Sections
24 216 and 218. Customers with dedicated facilities shall remain
25 responsible for their obligations regarding payment for those
26 facilities.

27 ~~(b) The commission shall prepare and submit to the Legislature,~~
28 ~~on or before June 1, 2002, a report describing its proposed~~
29 ~~methodology for determining the new rates and the process by~~
30 ~~which it will establish those rates.~~

31 (e)
32 (b) In establishing the tariffs, the commission shall consider
33 coincident peakload, and the reliability of the onsite generation,
34 as determined by the frequency and duration of outages, so that
35 customers with more reliable onsite generation and those that
36 reduce peak demand pay a lower cost-based rate.

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